

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE HARDIN COUNTY WATER)	
DISTRICT NO. 1 FOR AN ORDER APPROVING)	CASE NO. 98-534
THE ISSUANCE OF REVENUE BONDS)	

ORDER

On October 12, 1998, Hardin County Water District No. 1 ("Hardin County") submitted its application for authority to issue certain securities, as required by KRS 278.300, in the approximate principal amount not to exceed \$3,950,000, for the purpose of refunding certain outstanding waterworks revenue bonds.

807 KAR 5:001, Section 6, requires the submission of a detailed financial exhibit for the period ending not more than 90 days prior to the date of the application. Having reviewed the filing and being otherwise sufficiently advised, the Commission finds that good cause has been shown for the deviation requested and that the information filed therein is sufficient to enable the Commission to review adequately Hardin County's filing. Therefore, its request for permission to deviate from the above-cited regulation should be granted.

The proposed bond proceeds will be used to refinance Hardin County's Water Works Revenue Bonds, Series of 1989 ("1989 Bonds") and its Water Works Revenue Bonds, Series of 1992 ("1992 Bonds"). Hardin County estimates the refunding will result in total gross savings of approximately \$230,000, which represents a net present value

savings of \$167,000. The Series 1998 Bonds mature in various annual amounts from 1999 through 2013 and bear interest at rates varying from 3.85 to 4.95 percent per annum.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that Hardin County's proposal to issue these bonds for purposes of refinancing its 1989 Bonds and 1992 Bonds is for a lawful object within Hardin County's corporate purpose, is necessary, appropriate for and consistent with the proper performance of its service to the public, and should therefore be approved.

IT IS THEREFORE ORDERED that:

1. Hardin County's request for permission to deviate from the requirements of 807 KAR 5:001, Section 6, is hereby granted.

2. Hardin County is authorized to issue bonds for an approximate principal amount not to exceed \$3,950,000, at an interest rate between 3.85 percent and 4.95 percent per annum.

3. Hardin County shall issue its proposed Series 1998 Bonds only on such terms that will result in a positive net present value savings and which are consistent with its application.

4. Hardin County shall, within 30 days after issuance of the securities, advise the Commission in writing of the date or dates of the securities, the price paid, the interest rate, the purchasers, and all fees and expenses, including underwriting discounts or commissions, or other compensation involved in the issuance and distribution.

5. The proceeds from the transactions authorized herein shall be used only for the lawful purposes specified in Hardin County's application. Nothing contained herein

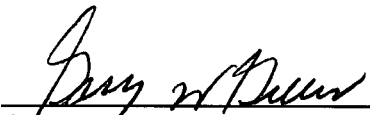
shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 13th day of November, 1998.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director